

PROPERTY

Lan Kwai Fong joins Phuket deal

Joint venture project worth B4.5bn

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Robust long-stay demand in Phuket has attracted Hong Kong's Lan Kwai Fong Group to invest in a project worth 4.5 billion baht via joint ventures with a local developer, while a legal consultant suggested Thailand amend the hotel laws to permit the renting out of condo units on a daily basis.

Jason Thelen, senior director of sales and marketing at Sudara Residences Phuket, said the Sudara Residences is a condo project under a joint-venture partnership between Lan Kwai Fong Group and Princess Villa.

Located in the Bangtao area, the first phase will feature 220 units with prices from 10.1-27 million baht.

At present, 25% of the first phase has sold out, with the majority of buyers from Singapore and Hong Kong.

Construction is expected to be completed by 2026, and transfers are set to commence in 2027.

Regarding the hot topic of illegal renting out of condo units in Thailand, Mr Thelen said the company is not planning to acquire a hotel licence in order to rent out units legally on a daily basis, but would rather focus on long stays of more than a month, which is thriving in Phuket.

Sudara will focus on attracting owners to participate in the management programme to rent out units on a monthly basis, as there is growing long-stay demand, particularly in

premium property in the province, he said.

In addition to this joint venture, Lan Kwai Fong operates two other projects in Thailand: Aquella Golf and Country Club in Phangnga and Andara Resorts and Villa in Phuket.

Piyawanee Watanasakolpunt, counsel at law firm Chandler Mori Hamada, said a large number of condo units are being rented out via online travel platforms.

The number of rooms available accelerated post-pandemic, driven by the trend of working remotely.

The daily rental of condo units to tourists is illegal. The minimum length of stay for condo rentals is 30 days.

A number of condo owners and agents are now facing legal action for such illicit activities.

Ms Piyawanee said she agreed with an MP's proposal to draft a new regulation, which should be separate from the Hotel Act, to allow the renting out of condo units on a daily basis by gaining a consensus from condo owners.

She said taking legal action against landlords and agents is only a short-term solution, while amending the law is required as a long-term solution.

The authorities should study the regulations of condotels overseas, such as in Japan where this type of listing is legal, said Ms Piyawanee.

The government should also consider ongoing disputes emerging from illegal condotels, such as the sharing of common facilities, she said.

There are many mixed-use projects in Bangkok that have been developed to feature both a hotel and condo units with separate facilities, said Ms Piyawanee.